

they were not briefed really by the majority staff. They were briefed by a couple of attorneys. And when they were asked who they were they said, "We're the folks who represent 12 to 15 corporations that basically wrote this thing." Apparently, several times, when questions were asked about details of the document, the Republican majority staff was even overruled by these attorneys, lobbyists from downtown Washington.

I think that is another symbol, another link in the chain of special influence that I am afraid has infected this town more this year than at any time in recent history.

So, Mr. President it is time to pass the gift ban. It is time to clean that up on the bipartisan basis that I thought we were going to do last time with an overwhelming 93-to-4 vote.

I am very delighted to yield in order to allow further discussion of what I consider to be an even more important issue: The need to let the Senate do its job by getting rid of this foolish tax cut at a time when all available dollars have to be devoted to eliminating the Federal deficit.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the presentation of my colleague from Wisconsin. I note the Senator from Arkansas, Senator BUMPERS, is on the floor, I think intending to speak a bit about the tax-cut bill that was passed by the House of Representatives last evening.

Might I ask about the order of the Senate. Are we in morning business?

The PRESIDING OFFICER. No, the Senate is on the supplemental appropriations bill. As the Senator will note from the remarks that we have heard before the Senate, it would be in order to ask unanimous consent.

Mr. DORGAN. I ask unanimous consent to speak as in morning business for 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### IT MAY BE POPULAR, BUT IT IS NOT RIGHT

Mr. DORGAN. Mr. President, I will not take a great amount of time because I made some points here already. I did want to come and speak briefly about the action last evening with respect to one portion of the Contract With America in the House of Representatives.

As almost everyone understands, the Contract With America is a document that resulted from substantial polling of focus groups that the Republican Party did all across this country. They were polling to try to understand what is popular, what do people want, what do people think we should do, how will they react positively to words and phrases and ideas, and they put that together in a contract.

It is not surprising to me that one would discover the answer to a question, "Would you like lower taxes," that the answer "yes" would be the popular answer. "Yes, of course, we'd like to have lower taxes. We'd like to have a tax cut." I understand that. I understand any poll in this country would achieve that result.

But there are times when we have to choose between what is right and what is popular. Although I think it may be popular for them to be talking about tax cuts, I am convinced it is right only for us to talk about how to get this country's fiscal policy under some control. We are up to our neck in debt. We are choking on fiscal policy debt, budget debt and trade debt, and we must straighten it out.

Not more than a month or two ago, we had people on the floor of this Senate trying to change the U.S. Constitution in order to require a balanced budget. Among those who bellowed the loudest about changing the U.S. Constitution are some of the same ones who now say what we want to do is not balance the budget, we want to cut taxes. This is a stew that we have tasted before. This recipe was concocted in 1981, and it resulted not in a balanced budget, as was promised by 1984. In fact it resulted in staggering massive public debt over the last decade and a half. Mr. President, nearly \$4 trillion ago in debt we learned the lessons of this dilemma.

Our job is very simple. It is to aggressively cut spending and to use the money to cut the Federal deficit. And even to start paying down on the national debt and then turn our attention to finding out how we can change the tax system; yes, then to give some relief, but especially to give relief to middle-income working families who had to bear the burden of this Tax Code over all these years.

But to decide now at a time when we have this staggering debt, to decide now that what we need to do is the popular thing to simply propose a tax cut of \$200 billion or in the next 10 years nearly three-quarters of a trillion dollars loss of revenue is preposterous. It may be popular, but it is not right.

I had not spoken about the specifics of the tax cut yesterday because it will not surprise anybody to learn the specifics. It is the same old Republican philosophy: Call it a tax cut for the rest, and give a big tax cut to the rich. Call it a tax cut for families, and give a big tax cut to rich families.

Class warfare? No, it is not class warfare to talk about that. It is talking about who gets what check in the mail as a result of these tax reductions.

If you are a family that has over \$200,000 in income, the bill that passed last evening in the House of Representatives is going to give you an \$11,200 a year average tax cut. If you are a family with less than \$30,000 in income, you are going to get all of \$124 and, in fact, a whole lot of folks are going to get nothing. If you make \$15,000 a year

and have three kids, that child tax credit means nothing to you. Zero. There is no \$500 a child. You get zero.

The fact is, this tax bill is the same old thing from the same old boys that have always proposed this kind of remedy: It gives a very large tax cut to the very, very wealthy and gives a few crumbs to the rest.

Why? They believe if we pour in a lot of money at the top that somehow the magnificence of the top will spend this in a way that will help the rest.

I happen to think that the American economic engine runs and works best when we give working families something to work with. If we give a tax cut—and I do not think we ought to until we have solved the deficit problem in this country—we ought to provide real tax relief to real working families.

It is interesting to me as I have said, that the very same people who have fought the hardest to change the Constitution because they say we must balance the Federal budget are the first ones out of the chute who say now that we have had this debate about politics and polls over the Constitution, we will have another debate about politics and polls about our favorite subject: Cutting taxes, or cutting tax now, which we know exacerbates the deficit.

It does not reduce the Federal budget deficit, but expands and explodes the Federal budget deficit. Only those who do not care about this country's deficit could be proposing something that irresponsible at this point in this country's history.

Yes, I said I know it might be popular but it is not right. We all ought to put our shoulder to the wheel and do what is right. We know what is right—cut spending and use the money to cut the deficit.

Those who are off trying to suggest we should give tax cuts to the rich when we are choking on Federal debt in this country do no service to this country or its future or its children.

We are seeing a bill come out of the House of Representatives that has the same old proposals. I mentioned to the Senator from Wisconsin a proposal to eliminate the alternative minimum tax. I could bring names of companies—I will not, but I could bring names of companies to the floor—that every single American would recognize immediately, companies that made \$1 billion, \$500 million, \$3 billion, \$6 billion, and paid zero in Federal income taxes. Paid less money in Federal income taxes than some person out there working for \$14,000 a year, struggling, working 10 hours a day, working hard all year, and they end up paying a tax.

An enterprise making \$6 billion over a few years ends up paying zero. So we change that and said, "You cannot end up paying zero any more. You have to pay an alternative minimum tax at the very least."

It is called fairness. What did the House of Representatives do? They passed a bill that says we do not care about fairness. We will abolish alternative minimum tax and go back to the good old days of zero tax obligation for some of the biggest special interests in this country.

At the same time, they are saying, "Let's give away the store in those circumstances," and just that provision—the one provision on the alternative minimum tax—gives away \$4 billion to 2,000 companies. Mr. President, \$4 billion washed away to 2,000 companies. That is \$2 million a company.

I do not know how that is justifiable in the circumstances of the fiscal policy problems and deficit dilemma problem we have in our country. How is it justifiable? How will the proponents justify coming to the floor of the Senate and saying, "We don't have enough money anymore to provide an entitlement to a school hot lunch to a poor kid. We will eliminate the entitlement status to a hot school lunch," because we frankly cannot afford it.

But we can afford to give somebody with a \$400,000 or \$200,000 annual income a check for \$11,200 a year and say, "Partner you are lucky. Here is a big tax break for you."

We are running this big deficit and we have to cut back on dozens of programs dealing with issues of nutrition, issues of child abuse on Indian reservations, just name it, cutting back all of them, because we cannot afford it.

They say, "But we can afford to hand over a very large tax refund to some of the biggest economic special interests in this country."

I know when I finish speaking, and when the Senator from Arkansas finishes speaking, there will be people who say, "Well, it is the same old complaint: Class warfare." You should not stand up and talk about who actually gets the benefit. Because if we talk about who gets the benefit, and you describe someone with \$200,000 income getting an \$11,200 check, and someone with \$30,000 income getting \$124, somehow you are being unfair.

It is unfair to point that out to the American people. That is not class warfare. That is a discussion of what is real about the proposals to change our revenue system.

I will support substantial changes in our whole revenue base when we are through this process of honestly trying to get this budget deficit under control.

Frankly, our revenue system does not work as well as it should. Our revenue system ought to be changed in a wholesale way to encourage savings. Our revenue system ought to be changed in a substantial way to tax more consumption than we tax and to encourage savings.

We ought not keep taxing work every chance we get. We hang every social good on a payroll tax. Frankly, our payroll taxes are too heavy. I bow to no one to my interest and desire to try

and change our tax system. I do not believe it is right at this time, given the problems our country faces, to propose as a matter of public policy, very large tax cuts to very big special economic interests, and then come to the floor of the Senate and the House and crow about how Members want to change the Constitution to eliminate the Federal budget deficit.

Anybody who wants to eliminate the Federal budget deficit can do it honestly. The honest way is to aggressively reduce Federal spending in areas where we ought to reduce Federal spending, and continue to make investments where we ought to make investments, especially in the lives of children and then use the savings from reducing Federal spending to reduce the Federal budget deficit.

When we have set this country on a course in a constructive path to solve that problem, we ought to turn to the Tax Code. When we turn to the Tax Code, we should not have middle-income families turn out to be the losers.

Every single time somebody monkeys with the Tax Code, especially the majority party, somehow middle-income families end up getting less or end up paying the bill to provide tax cuts and big tax rebates and big generous refunds to the wealthiest Americans.

We ought to have learned in the last 50 years what works and what does not work. What works is to give working families something to work with. The biggest advantage we can provide working families in this country today is to reduce the Federal budget deficit.

We do that by cutting spending and using the savings to reduce the deficit. When we finish that job, then I think we can turn to the Tax Code. And I think we will do a substantially different job than was done over in the House of Representatives for fair tax cuts, for a fair tax system, for those people in this country who work hard and who have borne the cost of Government for far too many years.

Mr. President, I will have more to say about this subject along with some charts tomorrow. I notice my friend from Arkansas, a man noted for charts, has brought charts to the floor, so I am anxious to hear what he has to say. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TAX FAIRNESS

Mr. BUMPERS. Mr. President, I cannot add or detract from what the Senator from North Dakota has just eloquently said.

I do have some charts that perhaps are a little more graphic, but I also

want to say that one of the things that my wealthier friends not only back home but across the country say to me is, "The thing I do not like about Democrats is they promote class warfare."

The Senator from North Dakota alluded to that. I do not believe in class warfare. I believe in fairness, justice, and the judicial system, as well as in our economy.

What happened in the House last evening is one of the most bizarre things I have witnessed in my 20 years in the U.S. Senate. A tax cut—a tax cut—of about \$180 billion over the next 5 years but which balloons to about \$600 to \$700 billion for the 10-year period.

In other words, \$180 billion for the first 5 years, and between \$400 and \$500 billion for the next 5 years.

They say they will identify cuts to pay for it. We see in the House they can do that because they only have to project 5 years out. Our budget in the Senate requires the Senate to come up with a 10-year projection.

To get on with the story, I do not like class warfare but how do we say to the American people that the tax bill that passed last evening provides a tax cut for people who make over \$200,000 a year, provides them a tax cut of \$11,266—and that is per year—and provides an average for those who make zero to \$30,000 a year, gives them \$124 a year.

Mr. President, for the people who make less than \$30,000 a year, the tax cut last night will not even buy a 13-inch pizza for the family to enjoy on Friday nights. Are we engaging in class warfare to bring up this fact? Is it class warfare to point out the unbelievable unfairness of this situation? I ask the American people and my colleagues, if you are going to provide a tax cut, how do you say to the American people that those who make over \$200,000 a year are going to get a \$11,000 tax cut and people who make \$30,000 or less get a \$124 tax cut? Class warfare? It is utterly the most bizarre thing I have ever seen.

Who do you think needs the tax cut most, the guy making \$200,000 a year or the guy with a wife and two kids making \$30,000 a year?

Let's discuss the capital gains part of the tax bill. Capital gains occur when you buy and sell stocks or other property. I agree with Felix Rohatyn, who I watched on CNBC yesterday, who said, "I have never understood what economic benefit this country derives when somebody sells General Electric and uses the money and buys DuPont stock." What does that do for the economy, except fatten some broker's fees?

But look at this chart showing who benefits from the capital gains tax cut. Who benefits from it? You guessed it. Those who make \$100,000 a year or more are going to get 76 percent of the benefit of this capital gains tax cut. What does this poor stiff get who makes only \$30,000 a year? Only 6.4 percent of the capital gains tax cut. Class